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S.252

Representative Ancel of Calais moves that the House propose to the Senate that the bill be amended as follows:

First: By striking out Sec. 1, legislative intent; findings; purpose, in its entirety and inserting in lieu thereof a new Sec. 1 to read:

Sec. 1. LEGISLATIVE INTENT; FINDINGS; PURPOSE

(a)(1) It is the intent of the General Assembly to continue moving forward toward implementation of Green Mountain Care, a publicly financed program of universal and unified health care.

(2) It is the intent of the General Assembly not to change in any way the benefits provided to Vermont residents by Medicare, the Federal Employees Health Benefit Program, TRICARE, a retiree health program, or any other health benefit program beyond the regulatory authority of the State of Vermont.

(b) The General Assembly finds that:

(1) It has been three years since the passage of 2011 Acts and Resolves No. 48 (Act 48), which established the Green Mountain Care Board, authorized payment reform initiatives, and created the framework for the Vermont Health Benefit Exchange and Green Mountain Care.

(2) The Green Mountain Care Board currently regulates health insurance rates, hospital budgets, and certificates of need. In 2013, the Green Mountain

1 Care Board’s hospital budget review limited hospital growth to 2.7 percent, the
2 lowest annual growth rate in Vermont for at least the last 15 years. The Green
3 Mountain Care Board issued four certificates of need and one conceptual
4 development phase certificate of need. It also issued 31 health insurance rate
5 decisions and reduced by approximately five percent the rates proposed by
6 insurers in the Vermont Health Benefit Exchange.

7 (3) In 2013, Vermont was awarded a three-year State Innovation Model
8 (SIM) grant of \$45 million to improve health and health care and to lower
9 costs for Vermont residents. The grant funds the creation of a sustainable
10 model of multi-payer payment and delivery reform, encouraging providers to
11 change the way they do business in order to deliver the right care at the right
12 time in the right setting. The State has created a 300-person public-private
13 stakeholder group to work collaboratively on creating appropriate payment and
14 delivery system models. Through this structure, care management models are
15 being coordinated across State agencies and health care providers, including
16 the Blueprint for Health, the Vermont Chronic Care Initiative, and accountable
17 care organizations.

18 (4) From the SIM grant funds, the State recently awarded \$2.6 million in
19 grants to health care providers for innovative pilot programs improving care
20 delivery or for creating the capacity and infrastructure for care delivery
21 reforms.

1 (5) Three accountable care organizations (ACOs) have formed in
2 Vermont: one led by hospitals, one led by federally qualified health centers,
3 and one led by independent physicians. The Green Mountain Care Board has
4 approved payment and quality measures for ACOs, which create substantial
5 uniformity across payers and will provide consistent measurements for health
6 care providers.

7 (6) The Vermont Health Benefit Exchange has completed its first open
8 enrollment period. Vermont has more people enrolled through its Exchange
9 per capita than are enrolled in any other state-based Exchange, but many
10 Vermonters experienced difficulties during the enrollment period and not all
11 aspects of Vermont’s Exchange are fully functional.

12 (7) According to the 2013 Blueprint for Health Annual Report, Vermont
13 residents receiving care from a patient-centered medical home and community
14 health team had favorable outcomes over comparison groups in reducing
15 expenditures and reducing inpatient hospitalizations. As of December 31,
16 2013, 121 primary care practices were participating in the Blueprint for Health,
17 serving approximately 514,385 Vermonters.

18 (8) The Agency of Human Services has adopted the modified adjusted
19 gross income standard under the Patient Protection and Affordable Care Act,
20 further streamlining the Medicaid application process.

1 (9) Vermonters currently spend over \$2.5 billion per year on private
2 funding of health care through health insurance premiums and out-of-pocket
3 expenses. Act 48 charts a course toward replacing that spending with a
4 publicly financed system.

5 (10) There is no legislatively determined time line in Act 48 for the
6 implementation of Green Mountain Care. A set of triggers focusing on
7 decisions about financing, covered services, benefit design, and the impacts of
8 Green Mountain Care must be satisfied, and a federal waiver received, before
9 launching Green Mountain Care. In addition, the Green Mountain Care Board
10 must be satisfied that reimbursement rates for providers will be sufficient to
11 recruit and retain a strong health care workforce to meet the needs of all
12 Vermonters.

13 (11) Act 48 required the Secretary of Administration to provide a
14 financing plan for Green Mountain Care by January 15, 2013. The financing
15 plan delivered on January 24, 2013 did not “recommend the amounts and
16 necessary mechanisms to finance Green Mountain Care and any systems
17 improvements needed to achieve a public-private universal health care
18 system,” or recommend solutions to cross-border issues, as required by Sec. 9
19 of Act 48. The longer it takes the Secretary to produce a complete financing
20 plan, the longer it will be until Green Mountain Care can be implemented.

1 (c) In order to implement the next steps envisioned by Act 48 successfully,
2 it is appropriate to update the assumptions and cost estimates that formed the
3 basis for that act, evaluate the success of existing health care reform efforts,
4 and obtain information relating to key outstanding policy decisions. It is the
5 intent of the General Assembly to obtain a greater understanding of the impact
6 of health care reform efforts currently under way and to take steps toward
7 implementation of the universal and unified health system envisioned by
8 Act 48.

9 (d) Before making final decisions about the financing for Green Mountain
10 Care, the General Assembly must have accurate data on ~~how Vermonters~~
11 ~~currently pay for health care~~ the direct and indirect costs of the current
12 health care system and how the new system will impact individual decisions
13 about accessing care.

14 (e) The General Assembly also must consider the benefits and risks of a
15 new health care system on Vermont's businesses when there are new public
16 financing mechanisms in place, when businesses no longer carry the burden of
17 providing health coverage, when employees no longer fear losing coverage
18 when they change jobs, and when business start-ups no longer have to consider
19 health coverage.

20 (f) The General Assembly must ensure that Green Mountain Care does not
21 go forward if ~~doing so is not cost-effective for the residents of Vermont and~~

1 **for the State the financing is not sufficient, fair, predictable, transparent,**
2 **sustainable, and shared equitably.**

3 (g) The General Assembly must be satisfied that an appropriate plan of
4 action is in place in order to accomplish the ~~financial and health care~~
5 ~~operational~~ transitions needed for successful implementation of Green
6 Mountain Care.

7 Second: By striking out Sec. 2, principles for health care financing, and
8 inserting in lieu thereof a new Sec. 2 to read:

9 Sec. 2. PRINCIPLES FOR HEALTH CARE FINANCING

10 The General Assembly adopts the following principles to guide the
11 financing of health care in Vermont:

12 (1) All Vermont residents have the right to high-quality health care.

13 (2) All Vermont residents shall contribute to the financing for Green
14 Mountain Care.

15 ~~(3) Vermont residents shall finance Green Mountain Care~~ through
16 taxes that are levied equitably, taking into account an individual's ability to
17 pay and the value of the health benefits provided so that access to health care
18 will not be limited by cost barriers.

19 (3) The financing system shall maximize opportunities to pay for health
20 care using pre-tax funds.

1 (4) As provided in 33 V.S.A. § 1827, Green Mountain Care shall be the
2 payer of last resort for Vermont residents who continue to receive health care
3 through plans provided by an employer, by a federal health benefit plan, by
4 Medicare, by a foreign government, or as a retirement benefit.

5 (5) Vermont’s system for financing health care shall raise revenue
6 sufficient to provide medically necessary health care services to all Vermont
7 residents, including:

8 (A) ambulatory patient services;

9 (B) emergency services;

10 (C) hospitalization;

11 (D) maternity and newborn care;

12 (E) mental health and substance use disorder services, including
13 behavioral health treatment;

14 (F) prescription drugs;

15 (G) rehabilitative and habilitative services and devices;

16 (H) laboratory services;

17 (I) preventive and wellness services and chronic care
18 management; and

19 (J) pediatric services, including oral and vision care.

20 ~~**(6) The financing system for Green Mountain Care shall include an**~~
21 ~~**indexing mechanism that adjusts the level of individuals’ and businesses’**~~

1 ~~**financial contributions to meet the health care needs of Vermont residents**~~
2 ~~**and that ensures the sufficiency of funding in accordance with the**~~
3 ~~**principle expressed in 18 V.S.A. § 9371(11). [Deleted.]**~~

4 Third: By striking out Sec. 11, 21 V.S.A. § 2003(b), in its entirety and
5 inserting in lieu thereof a new Sec. 11 to read:

6 Sec. 11. 21 V.S.A. § 2003(b) is amended to read:

7 (b) For ~~any quarter in~~ fiscal years ~~2007 and 2008~~ **the third and fourth**
8 **quarters of calendar year 2014**, the amount of the Health Care Fund
9 contribution shall be \$~~91.25~~ **\$119.12** **\$133.30** for each full-time equivalent
10 employee in excess of ~~eight~~ four. For each ~~fiscal~~ calendar year after ~~fiscal year~~
11 ~~2008, the number of excluded full-time equivalent employees shall be adjusted~~
12 ~~in accordance with subsection (a) of this section, and~~ calendar year 2014, the
13 amount of the Health Care Fund contribution shall be adjusted by a percentage
14 equal to any percentage change in premiums for the second lowest cost silver-
15 level plan in the Vermont Health Benefit Exchange.

16 Fourth: By striking out Sec. 26, Green Mountain Care financing and
17 coverage; report, in its entirety and inserting in lieu thereof a new Sec. 26 to
18 read:

19 Sec. 26. GREEN MOUNTAIN CARE FINANCING AND COVERAGE;

20 REPORT

1 (a) Notwithstanding the January 15, 2013 date specified in 2011 Acts and
2 Resolves No. 48, Sec. 9, on or before February 3, 2015, the Secretary of
3 Administration shall submit to the House Committees on Health Care and on
4 Ways and Means and the Senate Committees on Health and Welfare and on
5 Finance a proposal to transition to and fully implement Green Mountain Care.
6 The report shall include the following elements, as well as any other topics the
7 Secretary deems appropriate:

8 (1) a detailed analysis of ~~how much individuals and businesses~~
9 ~~currently spend on health care, including the average percentage of~~
10 ~~income spent on health care premiums for plans in the Vermont Health~~
11 ~~Benefit Exchange by Vermont residents purchasing Exchange plans as~~
12 ~~individuals and by Vermont residents whose employers provide health~~
13 ~~coverage as an employment benefit, as well as data necessary to compare~~
14 ~~the proposal to the various ways health care is currently paid for,~~
15 ~~including as a percentage of employers' payroll the direct and indirect~~
16 ~~impacts of moving from a premium-based health care system to a publicly~~
17 ~~financed system, including the impact by income class and family size for~~
18 ~~individuals and by business size, economic sector, and total sales or~~
19 ~~revenue for businesses, as well as the effect on wages and job growth and~~
20 ~~the impact on various wage levels;~~

1 (2) recommendations for the amounts and necessary mechanisms to
2 finance Green Mountain Care, including:

3 (A) proposing the amounts to be contributed by individuals and
4 businesses **in addition to the indirect costs they will continue to pay;**

5 (B) recommending financing options for wraparound coverage for
6 individuals with other primary coverage, including evaluating the potential for
7 using financing tiers based on the level of benefits provided by Green
8 Mountain Care; and

9 (C) addressing cross-border financing issues;

10 (3) wraparound benefits for individuals for whom Green Mountain Care
11 will be the payer of last resort pursuant to 33 V.S.A. § 1827(f), including
12 individuals covered by the Federal Employees Health Benefit Program,
13 TRICARE, Medicare, retiree health benefits, or an employer health plan;

14 (4) ~~a thorough economic analysis of the impact of changing from a~~
15 ~~health care system financed through premiums to the system~~
16 ~~recommended in the financing proposal, taking into account the effect on~~
17 ~~wages and job growth and the impact on various wage levels [Deleted.];~~

18 (5) recommendations for addressing cross-border health care delivery
19 issues;

20 (6) establishing provider reimbursement rates in Green Mountain Care;

1 (7) developing estimates of administrative savings to health care
2 providers and payers from Green Mountain Care; and

3 (8) information regarding Vermont’s efforts to obtain a Waiver for State
4 Innovation pursuant to Section 1332 of the Patient Protection and Affordable
5 Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education
6 Reconciliation Act of 2010, Pub. L. No. 111-152, including submission of a
7 conceptual waiver application as required by Sec. 10 of this act.

8 (b) If the Secretary of Administration does not submit the Green Mountain
9 Care financing and coverage proposal required by this section to the General
10 Assembly by February 3, 2015, no portion of the unencumbered funds
11 remaining as of that date in the fiscal year 2015 appropriation to the Agency of
12 Administration for the planning and the implementation of Green Mountain
13 Care shall be expended until the Secretary submits to the General Assembly a
14 plan recommending the specific amounts and necessary mechanisms to finance
15 Green Mountain Care.

16 Fourth: By striking out Sec. 30, financial impact of health care reform
17 initiatives, in its entirety and inserting in lieu thereof a new Sec. 30 to read:

18 Sec. 30. FINANCIAL IMPACT OF HEALTH CARE REFORM
19 INITIATIVES

20 ~~(a) The Secretary of Administration or designee shall consult with the~~
21 ~~Joint Fiscal Office in collecting data and developing methodologies,~~

1 ~~assumptions, analytic models, and other factors related to the following~~

2 **The Health Reform Oversight Committee shall:**

3 (1) determine the distribution of current health care spending by
4 individuals, businesses, and municipalities, including the direct and indirect
5 costs by income class and family size for individuals and by business size,
6 economic sector, and gross revenue for businesses;

7 (2) for each proposal for health care system reform, evaluate the
8 direct and indirect impacts on individuals, businesses, and municipalities,
9 including the direct and indirect costs by income class and family size for
10 individuals and by business size, economic sector, and total sales or
11 revenue for businesses;

12 (3) estimate the costs of and savings from current health care reform
13 initiatives; and

14 (4) updated update the cost estimates for Green Mountain Care, the
15 universal and unified health care system established in 33 V.S.A. chapter 18,
16 subchapter 2.

17 ~~(b) The Secretary or designee and the Joint Fiscal Committee shall~~
18 ~~explore ways to collaborate on the estimates required pursuant to~~
19 ~~subsection (a) of this section and may contract jointly, to the extent~~
20 ~~feasible, in order to use the same analytic models, data, or other resources.~~

1 ~~(c) On or before December 1, 2014, the Secretary of Administration~~
2 ~~shall present his or her analysis to the General Assembly. On or before~~
3 ~~January 15, 2015, the Joint Fiscal Office shall evaluate the analysis and~~
4 ~~indicate areas of agreement and disagreement with the data, assumptions,~~
5 ~~and results.~~